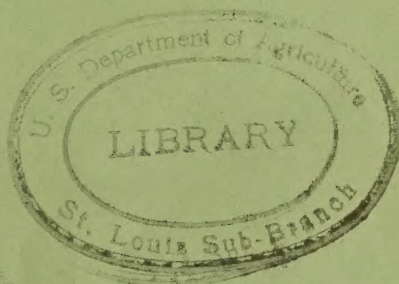


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Reserve

THE "PACKAGE UNIT" SELECTION PLAN
for providing
RUNNING WATER and MODERN SANITARY PLUMBING
to
REA COOPERATIVE MEMBERS

Prepared by
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REA



Department of Agriculture
Rural Electrification Administration
Washington, D. C.

May 1941

USDA
LIB

UNITED STATES DEPARTMENT OF AGRICULTURE

FOR THE YEAR 1914

AND THE YEAR 1915

IN

THE STATE OF TEXAS

1914

1915

1916

UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF ENTOMOLOGY
WASHINGTON, D. C.

1914
1915
1916

A MONEY-SAVING GROUP PURCHASE PROGRAM

based on the grouping of appropriate fittings with fixtures and piping, so that when a given "Unit" is selected, all incidental fittings and parts (which formerly "bobbed up" as surprise extras) are now included in the "Unit", thus making it possible for our Members to fit their selections to their financial situation, and still select the things which meet their individual preferences and conditions.

FEB 14 '46

A SHORT HISTORY OF THE UNITED STATES

The United States of America is a country in North America. It is the third largest country in the world by area, and the third most populous. It is a federal republic, with a President as the head of state and a Congress as the legislative branch. The United States is a member of the United Nations, the North Atlantic Treaty Organization, and the Organization for Economic Cooperation and Development. It is also a founding member of the World Trade Organization and the World Health Organization. The United States is a country of immigrants, and its people are of many different ethnicities and cultures. The United States is a country of freedom, and its people enjoy many rights and liberties. The United States is a country of opportunity, and its people have the chance to achieve the American dream.

SUMMARY of the PLAN

1. A Saving to Members of from one-third to one-half is indicated by preliminary quotations - making it possible to feature a price of \$42.30 for a pump, piping, kitchen sink and drain, with necessary fittings. Add a Bath Tub, Water Closet, Hot Water Tank, Bath Drainage and Vent Stack, all for a total cost under \$100.00

Comment:

The pump is smaller than we like to recommend. But - some wells cannot provide more than 150 gallons of water per hour. Some members who otherwise would go without running water will have it at a cost of \$42.30. I would rather see Running Water in their Home on that basis than not at all. Wouldn't you?

2. Former surprise, or hidden costs, are eliminated.

Comment:

I refer to the costs associated formerly with fittings which were either unknown or unidentified. Under the "Package-Unit Selection" plan they are tied in to appropriate fixtures - listed on the same page - and the whole priced as a "unit" with freight paid to an agreed destination on the system.

Open-minded engineers and plumbing experts have said this is "the newest and most far-reaching contribution ever made to merchandising of Running Water in the Home." Certainly it makes advance determination of costs more accurate and simplifies selection. Under it you are able to provide great flexibility without detracting from the very necessary factor of definiteness and take full advantage of the attention and interest value of a featured low price.

Do you recognize the importance of these points?

3. Members are taught how to install their own.

Comment:

This is done not by lectures but by taking them to actual demonstration Installations where they can watch - and ask questions (help if they will) on each operation.

4. Farm men and boys are taught to be "Helpers."

Comment:

This is the beginning of one of the big steps toward helping our members. Let the members make their own "deals" with these "Helpers" if they wish. See that "Helpers" are assigned quickly when members call for them. This is one of the jobs for the Coordinator. Perhaps he will use the better - more dependable - ones for taking responsibility for the special plumbing tools purchased by the Cooperative and provided to the membership on a loan or cost-rental basis.

Caution: Beware of sacrificing definiteness of cost through a mistaken comparison of bids. "Stick to your guns" on the "Package Unit" idea with freight paid to an agreed destination or destinations on your System - and one source of supply. One Supplier, will, as a part of his offer to you, supply you with 16 "Selection Sheets" as inserts for the material going to your members. His prices stated on these sheets (32 pages) meet the qualifications above referred to. See that others do also.

SUMMARY of the PROGRAM

1. Developing and Identifying the areas for interest is the first step.

Comment: Direct to the membership, of course - but also by way of the Schools - the County Agents - the Home Agents - the local Sanitary and Public Health Boards - 4-H Clubs, N.Y.A. - all branches of Extension.

One idea which is suggested - the Album on Running Water - has possibilities for development along many lines. On any basis it has the advantage of putting entire families at work proving to themselves the advantages of Running Water to them.

2. Demonstration Installations are to be arranged, and carried out (at least one for each 250 to 300 members.)

Comment: They are listed in second place because arrangements must be made for them before you hold your Community Meetings even though they will not be started out until immediately following the first of those meetings.

These are the schools where members will be trained to install their own - where the farm men and boys will be trained as "Helpers."

Bids will be taken from local plumbers on the work of installation of the total Demonstration Installations - and on a "work unit" basis, with the understanding that the low bidder will, to a large extent, merely supervise and direct the work and you furnish the workers.

(This is where the "Helpers" come in.) Members will attend - in most cases - only one of these schools, but the "Helpers" will work on many in order to fit themselves for the job of "Helper."

3. Community Meetings for explanation of the Plan.

1. Before and during the Demonstration Installation period.

Comment: These are for the purpose of developing Community Planning and generally increasing interest and commitments. They should be held during the interval between ordering the material and equipment for the Demonstration Installations and the date of its delivery (probably about two weeks), and thereafter throughout the period of Demonstration Installations.

4. Activities for Maintaining Interest and Increasing Commitments are, from this point, centered around the following:

Community Meetings continued from area to area just ahead of the Demonstration Installations.

Community Committee follow-up.

Coordinator follow-up.

Publicizing new installations and again and again inviting neighbors to come and learn how to install their own.

Setting of community goals.

System News Letter publicity as to progress and as to savings and comments of those making installations.

Celebration Meetings and "Pot-Luck" suppers - possibly dancing in some areas - as goals are attained.

DETAILED EXPLANATION OF THE PROGRAM

The REA Group Purchase program on Water Systems and Plumbing seems, on the basis of preliminary quotations, to offer savings to our Cooperative members of from $\frac{1}{2}$ to $\frac{1}{3}$ of former costs of equipment and material. The figures used below, however, are good only when confirmed in writing. This is due to the uncertainty of material prices. However, they are good until further notice in Region #1 and can be used to make an important point you should understand. Perhaps we can illustrate the point in the following manner:

On the basis of these preliminary quotations, we could have given you advance comparisons like this:

Item	Current Retail Price	Group Purchase Quotation
250-Gallon Pump	\$ 54.00	\$ 37.76
Kitchen Sink (Flat Rim)	8.50	5.20
5-foot Bath Tub	24.95	17.10
Water Closet	17.50	13.30
Lavatory	14.95	8.10
Range Boiler (30-Gal. Hot Water Tank)	9.50	5.46
Coal Burning Water Heater	9.75	5.60
20 feet 1-Inch Suction Pipe	2.80	1.59
100feet $\frac{1}{2}$ -Inch Pressure Pipe	8.75	4.65
Totals	\$150.70	\$ 98.76

You might have looked at these comparisons and have felt quite properly that this was an agreeable saving. However, had you bought on that basis you would have had a big surprise when you got it out to your home and then found none of it was any good to you.

You would not have been able to use any of it until you also had bought a lot of fittings and drainage material. "But exactly what?" That would be the question confronting you.

You can't use a bathroom without some way to carry off the water and matter from the bathroom--nor without a Vent Stack.

You would probably find that you would have to add to that.	\$150.00
For Fittings and drainage material.	50.60
For Plumber labor somewhere between \$65.00 and \$80.00, probably	<u>75.00</u>

And find that it was going to cost you a total of \$275.60
and you still would not have a septic tank nor sewer pipe nor drain tile nor
et cetera ?

In other words, figures like those above hide the true cost because they do not disclose the fittings required. The point is--Who is going to tell you what you need? If you ask a Plumber he'll probably want to sell you the equipment he has for sale and want to do the work of installing it. And being a salesman he will "stick with you" good and long and many times.

It was to correct that situation that the "Package-Unit Selection" plan was developed. Here is what it means and how it works:

It means that when you select any unit the price shown for that unit includes all the fittings and parts required to make it work - and all are listed on that particular sheet. Turn to the selection sheet covering Hot Water Tanks (Range Boiler), for example. Look over the list of items necessary to its operation and about which you would not know under ordinary circumstances.

Under the plan offered it has been possible to overcome the uncertainties that have attended the buying of equipment in the past and give you definite costs without surprise additions, and at the same time give you great flexibility in selection. We even set up many arrangements for a bathroom and the drainage material needed for each, so that one can be almost certain of finding an arrangement which is suitable if one desires to know definite costs in advance.

We call all these sheets "Selection Sheets".

Here is the way the total prices compare on the basis of this new method.

Item	Retail Prices found in local stores	Latest and Best Group Purchase Prices for com- plete "Package Units" with fittings and parts includ- ed and listed - everything made as definite and cer- tain as possible on the "Selection Sheet"
<hr/>		
250-Gallon Pump with Pressure		
Tank	\$ 54.00	\$ 37.76
Kitchen Sink (Flat Rim).	8.50 (no fittings included)	8.10 including fittings listed
5-foot Bath Tub.	24.95 " " "	20.57 " " "
Water Closet	17.50 " " "	13.30 " " "
Lavatory	14.95 " " "	8.10 " " "
Range Boiler	9.75 " " "	9.49 " " "
Coal Water Heater.	9.75 " " "	5.60 " " "
20' 1"-Suction Pipe.	2.80 " " "	2.53 " " "
100' 1/2"-Pressure Pipe.	8.75 (only couplings)	5.43 " " "
Fittings not included and not even disclosed	21.60	none - all included
Drainage Material and Vent Stack and Fittings	29.00	13.65 to 18.08
	\$201.55	\$123.01

That \$78.00 saved is worth saving, isn't it?

Almost unlimited selection - On the basis of those "Selection Sheets" one can pick out one item or a few items or a lot of them - get the depth and capacity of pump he needs - (because you will find every type and size you will need shown) and however much or little is selected - get full advantage of the Group-Purchase savings. This is as it should be. One supplier (the one from whose quotations the above figures were taken and one, who, incidentally, has branches throughout this country for

present and subsequent service), offers to provide 32 pages of specially priced equipment with pictures of each fixture - descriptions and specifications - and with all the fittings and parts listed on that same page - and all, together with freight prepaid, included in the price stated on that particular "Selection Sheet."

BUT, THAT WAS NOT ENOUGH!!

Our Members had to be freed from the usual installation costs if they wished.

We must find the way to show them how to install their own. I don't mean "Tell" them from a lecture platform. I mean show them. Here is what we suggest:

For those who want to install their own it is suggested that Demonstration Installations be set up so that no one of our Cooperative Members will have to travel more than 18 or 20 miles at the outside to attend. (See Special Instructions on this.)

For those who want to install their own but need a little help, train some farm men and grown boys as "Helpers." Have them attend - not just one of these demonstration installations, but many. Arrange for them to help do the work, and in a short time they will be real helpers. Let the Member make his own deal with one or more of them if he wants to do so. Maybe he can trade some work with one of them. But have a plan worked out with them so they can quickly be assigned to a Member when a request comes in.

You will have to have some special tools for the members to use. Perhaps you can pick out certain of the "Helpers" and make each one picked out responsible for one set of tools. Perhaps you will think it is fair to add a little to that boy's work to cover a small part of the tool cost so that by the time the installations are all in for this year the tools will have barely been paid for without the cooperative being out of money on the deal. (See list of tools required in each set.)

You will have to have a Plumber make the installations for the Training Schools. When you have your points picked out for the schools and know just what each one wants at the farm where the demonstration school is to be conducted, why not take bids on installation of all the equipment at the demonstration homes and make a bargain with the member to have it installed in that manner. It may be that in a rare case the cooperative may have to share the cost of this installation but if so, \$10.00 to \$15.00 should cover it in that rare instance. With the "Helper" trainees on the job the Plumber will not need any helpers and although these boys will not be much help at the start, they will really almost do his job for him by the time he completes the last one.

It is suggested that you get a set of forms for Septic Tank Side Walls and pre-cast these, on a cost basis, for the members wanting Septic Tanks. More complete suggestions will be given you on this before you are ready for them together with information as to cost

and where to get them as well as full instructions to members for installing. They can then keep the instructions to refresh their minds even though they have watched an installation go in.

You are going to need some one to coordinate this work which will be compressed into a short space of time if we are going to get this material and these fixtures while the low prices hold good. Perhaps you will have to hire some one for 60 to 90 days. It may cost you \$175.00 a month for two or three months for his pay and travel expense. I believe that every member who participates in this will be glad to pay a small "Participation Fee" so as to cover these special expenses which those members not participating should not, in all fairness, be asked to bear, at least to the full extent that those do who get the advantage of these savings. Perhaps you know someone who can handle this work. On one of the systems a fine old gentleman who had retired from Plumbing business was glad to take it on. If you know of no one else perhaps you can pick out one of the "Helpers" and give him the job at a fair rate of pay. A special set of suggestions has been prepared covering the work which the "Coordinator" can and should do.

The Source from which equipment will be obtained.

The source from which your cooperative will obtain its equipment is another matter which the Board of Directors will be called upon to decide. Right now there is some uncertainty as to where the best price can be obtained. By the time the program is ready to start you will undoubtedly be "bombarded" with quotations. It is suggested that you withhold any final decision on source of supply until about a week or ten days after the first publicity. By that time, however, decision on this point will be necessary.

Remember this: If the quotation is based on car load shipments, you will find yourself in trouble. If they are F. O. B., point of shipment, you will also find yourself in trouble.

You will not be able to give your members a definite price because on the examples cited before, the freight might vary \$4.00 to \$25.00

Members MUST HAVE DEFINITE COSTS BEFORE THEM AND GREAT FLEXIBILITY OF SELECTION.

Just to give you an example of how much of a problem it would be to figure costs in advance, just suppose you collected orders from 125 members for 125 pumps of various sizes, 125 sinks of different types, 60 bath tubs of the leg type and 15 of the "recessed" apron type, 60 water closets, 40 lavatories, 80 Hot Water Heaters, 18,000 feet of various sized pipe, etc., etc. You would have a carload of pumps and of leg-type bath tubs, but you would not have a carload of anything beyond that, so the higher "LCL" (Less than Car Load) rate would apply, and that will run much higher. You can see that it is important to have your quotation based on "freight allowed" to agreed destination on your system, where the members can pick it up. Also do not get yourself in a position where you must order from a great many sources. That will increase your own office work beyond reason.

The "Selection Sheets" which are included in the member's packet constitute the offer of one supplier who has endeavored to meet our request for "package units."

These "Selection Sheets" do have certain advantages which it might be well for you to insist upon when you get quotations from competing suppliers.

The fact that the equipment is shown in pictures as well as by description seems to be an advantage.

The fact that each unit includes necessary fittings and is priced as an assembly or "package unit" is another advantage.

The fact that the price is the "delivered price" is quite important.

The fact that all of the material comes from one source is worth considering.

The reputation of any bidder for making good on a guarantee of "satisfaction or money back" is valuable to your membership.

In giving you the "Selection Sheets" referred to and which you will find included in the "Member's Selection Packet," we are merely endeavoring to provide you with an example of the manner in which any and all suppliers should provide you with workable material from which your members can make selection.

It does not seem reasonable that one supplier will be able to provide the enormous quantity of fixtures and equipment necessary to fulfill the needs of all our cooperatives under this Group Purchase Program. The supplier whose "Selection Sheets" are included is one who would be more likely to find this possible than many who have quoted at somewhat higher prices, but even this supplier may, in the light of Defense priorities, find himself handicapped and be unable to confirm quotations in certain areas.

Furthermore, it appears probable that with the possibility facing all manufacturers of increased material costs as well as labor costs, there may be recurring price changes. With this in mind, it is probable that the next printing of "Selection Sheets" by this supplier will omit prices and from time to time price sheets will be issued which can be inserted along with the "Selection Sheets." This will involve no confusion because when you write to this supplier as indicated in the packet covering "Method and Order of Procedure" requesting quotations and perhaps a supply of "Selection Sheets" for your members, the exact price at which you will buy will be made clear to you and to the members to whom the "Member's Selection Packet" is given.

In taking quotations from other suppliers, you should require that they make their quotations on the "Package Unit" basis. This may not seem important on first consideration, and the suppliers themselves will object to doing it, but it will prove to be highly important.

For example, some have ignored this point, only to discover that it required a full day in many instances for the Coordinator to figure the material required, but when this "Package Unit" method was adopted, the time was cut to about two hours.

THE COORDINATOR

HIS EMPLOYMENT AND DUTIES

His Employment

Unless someone already employed by the Cooperative is qualified for this work, arrangements should be made to employ some one who is qualified to perform the duties outlined below and such other emergency duties as may well be anticipated in a Water System and Plumbing program of this kind. His employment for this special work should probably be for at least 60 days.

His Duties

1. To check with members on the accuracy of their decisions. (For example, whether they need a shallow well or "Jet" or deep well type pump - and the size "Head" and "Jet" they require - whether quantities of water they have decided upon as sufficient, actually will satisfy their needs and guide them accordingly (Not "order them" but "guide them") - whether proposed location of septic tank is suitable in relation to the terrain and the well location.)
2. Supervise the Member Committee activities and assist them by explaining the plan and its details to them when required and assisting them with neighbors whom they are trying to interest in the plan as they endeavor to bring about sufficient interest to justify the Group Purchase Plan which has been set up for them.
3. To take responsibility for assigning or "booking" the "Helpers" as well as the low bidder plumber, so that they may be available where needed when the members are ready for them, or as nearly so as is possible.
4. Assemble and check all members' commitments - see that final correct orders are placed - and see that they reach the supplier promptly.
5. See that special "Survey Sheets" accurately state the facts and conditions and if unable to make satisfactory suggestions to the satisfaction of the member see that they reach the Plumbing Section of REA promptly and when returned, are understood by the member and proper orders placed.
6. Do all the special and emergency things which the fullest operation of the program would call for.

Note: It may be helpful to give each "Helper" a small supply of post cards which will have been mimeographed by the Cooperative office and which he can mail in to you so as to keep you advised day by day of his whereabouts and of any commitments he has made for his time in the future through direct arrangements with members.

It may be further helpful to the direction of the work to keep an accurate list of all members making requests for systems and to spot these on township maps, checking them in red when they have requested a "Helper" - in green when the "Helper" or Plumber has checked with the member and arranged for arrival date - and in purple or blue when the job is completed.

Records should be kept in the project office of every installation and of what it consists.

EXTENSION SERVICE GLAD TO COOPERATE

The County Agents and the Home Agents in practically every County will galdly help make this program a success. As a matter of fact, in many cases they can contribute the things which will make the program successful.

Each of them will probably have many meetings scheduled at which they will be glad to include information on what is underway if you will only give them the information.

Each of them will know of young men and older men who will be glad to take the training to become "Helpers" and help get them started - and upon these "Helpers" depends much in the way of savings to your farm members in installation cost. It may be that you will have to draw your "Coordinator" from this group of helpers.

I think it is safe to say that you will triple the interest, and the attendance at the Demonstration Installations if you will give these folks an opportunity to help you.

For example, the Extension Service has for years been endeavoring to increase the water system installations throughout the country. This program provides the means to a realization of a long-sought goal. It will prove to be a most important step in the lives of each farm family. It would be a mistake to take this step without giving the Extension Service an opportunity to weave "Kitchen Planning" and "Bathroom Arrangement" into the program, and you will find most Home Demonstration Agents delighted to renew her efforts along this line. By doing so, the entire program will be given further impetus.

Therefore - take these tentative plans to them before you get under way. You who are near the Extension Service of your University should take the plans to them. You may be surprised at the effective help they will give you.

You may not be able to set your dates for installing the equipment for the Demonstration Installations on their free days. But either or both may be able to get to some of the Demonstrations, and, where they can, it will be most helpful.

They will undoubtedly be glad to send out notices - add to the newspaper publicity - maybe even send additional reminder cards as the schools progress.

